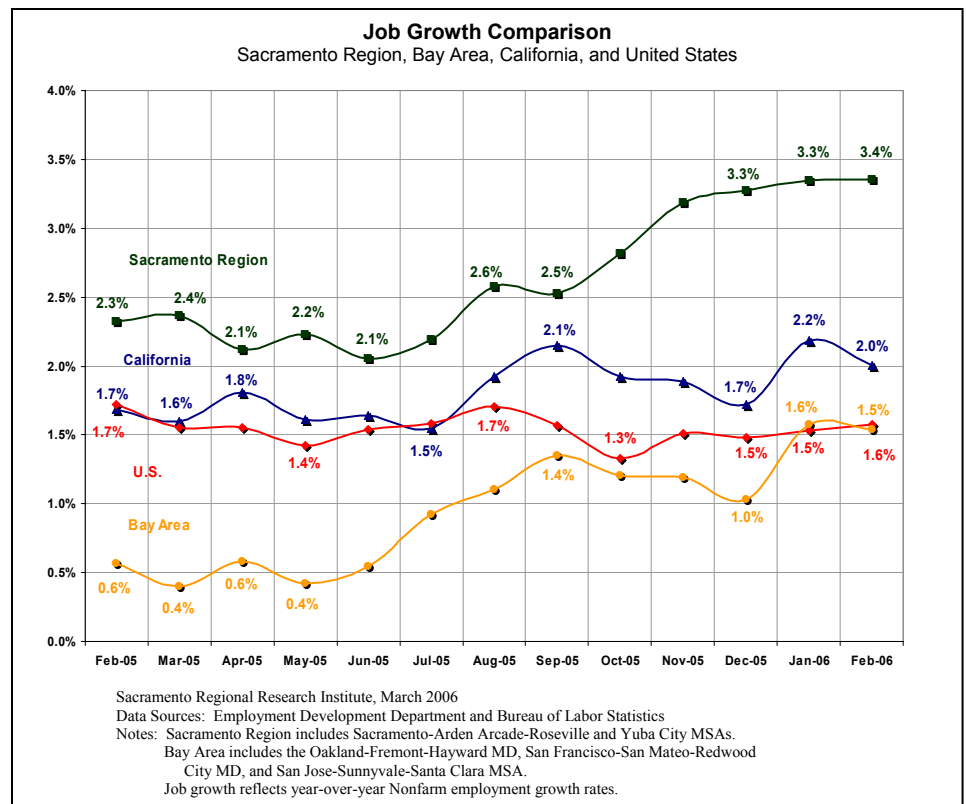


### EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

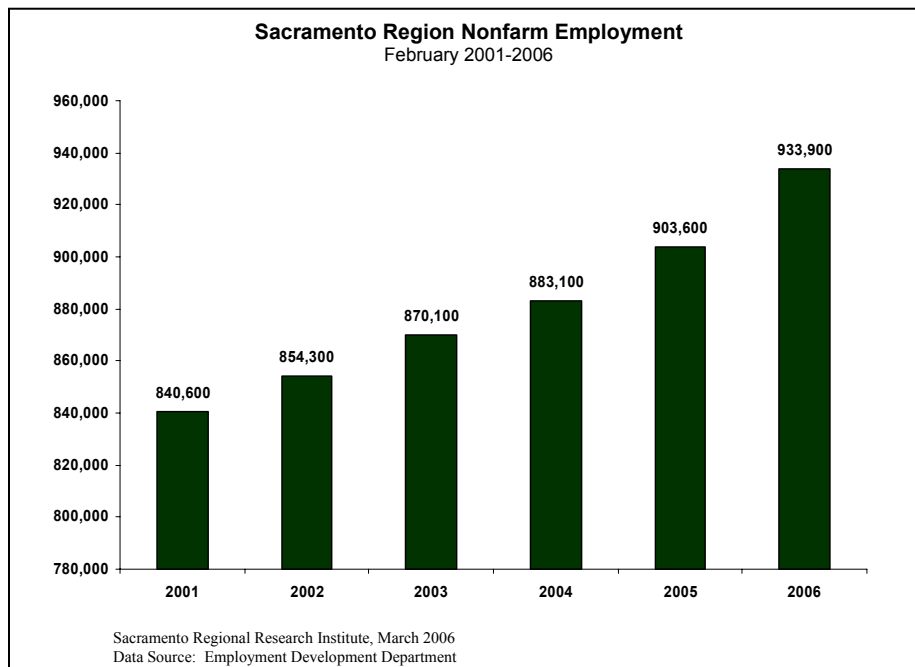
*The Sacramento Region continued to post strong job growth in February 2006, exceeding the statewide and national averages.*

Since October 2005, the six-county Sacramento Region has experienced a pattern of increasing year-over-year employment growth rates. Prior to that point, the Region saw a relatively flat job growth trend with modest growth rates averaging around 2.3 percent. The Sacramento Region surpassed 3 percent job growth in November 2005 and reached 3.4 percent in February 2006. This strong growth reflects a gain of over 30,000 jobs during the past 12 months and falls well above the statewide and national averages.

Job growth in the state has remained above the national average since August 2005, but has shown a generally flat pattern since that point with growth rates averaging close to 2 percent. Between February 2005 and 2006, the state added over 291,000 jobs with a 2 percent growth rate.



The nation's invariable year-over-year employment growth rate trend continued into February 2006. Over the past year, the nation added over 2 million jobs, posting 1.6 percent job growth. With minimal movement in its job growth pattern, the nation has averaged about 1.5 percent growth in the past 12 months.



The Bay Area's economic recovery has allowed it to post positive job growth over the past year. Despite its general pattern of increasing growth rates, the Bay Area saw a dip between September and December 2005. Year-over-year employment growth rates improved in January 2006 when the Bay Area saw the highest job growth in a number of years. Between February 2005 and 2006, the Bay Area experienced a 1.5 percent growth rate with an increase of over 43,000 jobs. In the past two months, the Bay Area caught up to, but did not surpass, the national average.

*The Sacramento Region added Manufacturing jobs over the past 12 months while the state overall has seen declines in this industry.*

The Professional & Business Services; Government; and Leisure & Hospitality sectors added the most jobs in the Sacramento Region between February 2005 and 2006. Together, these three sectors accounted for close to 52 percent of the Region's net job gains with a total increase of nearly 16,000 jobs. Over the past year, the Region's Information sector was the only major sector to post an employment loss. Despite declines at the statewide level and in most major economic regions throughout the state, the Manufacturing sector experienced job gains in the Sacramento Region over the past 12 months, demonstrating the unique strength of this sector in the Region.

The state's job growth was driven by the Professional & Business Services; Construction; and Leisure & Hospitality sectors, a similar mix as the Sacramento Region. Combined, these three sectors added close to 180,000 jobs, making up about 62 percent of the state's net job gains. Information and Manufacturing were the only two sectors to experience job losses at the statewide level.

Like the state, the Professional & Business Services; Construction; and Leisure & Hospitality sectors posted the greatest job gains in the Bay Area and saw employment declines in only the Manufacturing and Information sectors. The three sectors with the most job gains added over 30,000 jobs and accounted for almost 70 percent of the Bay Area's net employment increase between February 2005 and 2006.

<b>Employment Gains and Losses</b> Components of Sacramento Region and Bay Area		
Area	February 2005-2006	
	Absolute	Rate
Sacramento Region	30,300	3.4%
Sacramento-Arden Arcade-Roseville MSA	27,600	3.2%
Yuba City MSA	2,700	7.0%
Bay Area	43,300	1.5%
Oakland-Fremont-Hayward Div.	23,400	2.3%
San Francisco-San Mateo-Redwood City Div.	12,400	1.3%
San Jose-Sunnyvale-Santa Clara MSA	7,500	0.9%

Sacramento Regional Research Institute, March 2006  
 Data Source: Employment Development Department  
 Note: Gains and losses reflect Nonfarm employment.

The San Francisco-San Mateo-Redwood City Metropolitan Division (Marin, San Francisco, and San Mateo Counties) also made a notable contribution to the Bay Area's job growth between February 2005 and 2006, accounting for nearly 29 percent of the absolute gains. The San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) saw positive job growth, but has not returned to its prominent position in the Bay Area's overall economy.

<b>Major Sector Employment Gains and Losses</b> Sacramento Region, California, and Bay Area			
Sector	February 2005-2006		
	Sacramento	California	Bay Area
Total Nonfarm	30,300	291,400	43,300
Private Sector	25,200	268,700	40,900
Public Sector	5,100	22,700	2,400
Prof. & Business Svcs.	6,000	68,100	9,700
Government	5,100	22,700	2,400
Leisure & Hospitality	4,700	51,700	7,700
Trade, Trans., & Util.	4,400	42,500	4,900
Construction	3,900	59,800	12,800
Financial Activities	2,400	24,800	4,500
Manufacturing	2,300	-12,700	-1,400
Edu. & Health Svcs.	2,100	27,600	5,000
Other Services	300	12,500	400
Nat. Res. & Mining	0	900	0
Information	-900	-6,500	-2,700

Sacramento Regional Research Institute, March 2006  
 Data Source: Employment Development Department

The Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area (MSA), consisting of El Dorado, Placer, Sacramento, and Yolo Counties, added 91 percent of the employment increase in the Sacramento Region over the past 12 months with an employment growth rate of 3.2 percent. The Yuba City MSA, including Sutter and Yuba Counties, posted a robust 7 percent employment growth rate and accounted for about 9 percent of the Sacramento Region total gain of 30,300 jobs between February 2005 and 2006.

The Oakland-Fremont-Hayward Metropolitan Division (Contra Costa and Alameda Counties) continued to act as the strongest economic region in the Bay Area, posting 2.3 percent job growth and contributing about 54 percent of the net employment gains in the Bay Area in the past year.

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